



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 26, 2011

Certified Return Receipt
7009 3410 0001 4203 2420

Thomas E. Heisler
Bank of Jackson County
P. O. Drawer 677
5381 Cliff Street
Graceville, Florida 32440-0677

Subject: Presentation of Site Draft - Letter of Credit Perihelion Global, Inc.,
Saturday Night #1 and Saturday Night #2 Mines, S/003/0076, Box Elder County, Utah

Dear Mr. Heisler:

The Bank of Jackson County has established Irrevocable Letter of Credit (LOC) No. _____ in favor of the Utah Division of Oil, Gas and Mining (Division) on behalf of Perihelion Global, Inc., under Utah mine permit S/003/0076 for the Saturday Night #1 and Saturday Night #2 mines in the amount of \$19,000.00. A draw in the full amount of the LOC is required to assure complete reclamation of the mining project. The mine operator is no longer registered to do business in Utah, has not updated the reclamation surety as required, has not paid permit fees, and has been issued a cessation order which has not been abated.

The Division is submitting the attached sight draft for the full face value of the letter of credit of \$19,000.00. The Division anticipates that payment of that amount will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by next day delivery. The Division will hold the funds as surety to be used for reclamation of the Saturday Night #1 and Saturday Night #2 mines pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

The Division understands the LOC was canceled in 2008. Please note, however, paragraph 3 in the enclosed agreement:

“This Letter of Credit issued on March 27, 2007, will be automatically extended for successive periods of one year from the current or any future issuance date unless 90 days prior to the issuance date of the following year, the Bank gives notice to the Division by any courier service or by registered United States mail ‘return receipt requested’ that the Bank elects NOT to renew the Letter of Credit.”

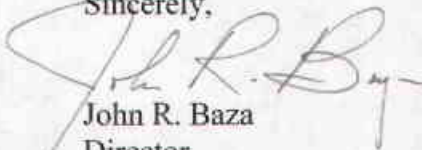


Page 2 of 2
Thomas E. Heisler
S/003/0076
October 26, 2011

The Division did *not* receive notification of cancellation and is therefore demanding the full face value of the LOC.

Please advise me in writing if this procedure is not acceptable. If you have any questions, please feel free to call Paul Baker at (801) 538-5261. Thank you.

Sincerely,



John R. Baza
Director

JRB:pbb:pb

Enclosure: Sight Draft

Cc: Steve Alder, Assistant Attorney General
Perihelion Global

Mike Nelson, and Opie Abeyta, Bureau of Land Management

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Bank of Jackson County

P.O. Drawer 677 ☐ 5381 Cliff Street ☐ Graceville, Florida 32440-0677
(850) 263-3225 ☐ FAX (850) 263-7342

March 27, 2007

☒ APPROVED

STATE OF UTAH
UTAH DIVISION OF OIL, GAS AND MINING (DOGM)
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Re: Perihelion Global, Inc.
Permit #S/003/0076
Letter of Credit

Gentlemen and Ladies:

1, Bank of Jackson County, ("Bank"), of P. P. Drawer 677, 5381 Cliff Street, Graceville, Florida 32440, hereby establishes this Irrevocable Letter of Credit in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount not to exceed \$19,000.00 in United States dollars ("Nineteen Thousand & no/100") effective March 27, 2007; on behalf of Perihelion Global, Inc ("Operator") for Saturday Night #1 & Saturday Night #2 mining operation under DOGM Issued Permit No. S/003/0076.

2. This letter of credit will expire the date upon the first event set forth as follows: (a) 5:00 o'clock p.m. (Central time) on March 27, 2008 or (b) the date upon which sufficient documents are executed by the Division to release Perihelion Global, Inc. from further liability for reclamation of the Saturday Night #1 and Saturday Night #2, S/003/0076 [DOGM Issued Permit No.], with notice to Bank by the Division accompanied by the original Letter of Credit with directions for termination.

☒ APPROVED

3. This Letter of Credit issued on March 27, 2007 will be automatically extended for successive periods of one year from the current or any future issuance date unless 90 days prior to the issuance date of the following year, the Bank gives notice to the Division by any courier service or by registered United States mail 'return receipt requested' that the Bank elects NOT to renew the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. _____ delivered to the office of the Bank, P. O. Drawer 677, Graceville, Florida 32440. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If the Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the termination of this Letter of Credit, the Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify. "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in the State of Florida are authorized or required by law to close.

6. The Bank will give prompt notice to the Operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements, which could result in suspension or revocation of the Bank's charter or license to do business.

☒ APPROVED

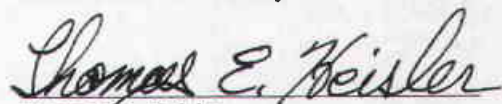
7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Bank of Jackson County P. O. Drawer 677, Graceville, Fl. 32440, 850-263-3225, referencing Letter of Credit No. [REDACTED]

9. In the event the Bank gives notice to the Division that the expiration date of the Letter of Credit will not be extended, the Division may, until the current expiration date of the Letter of Credit, draw under the Letter of Credit against its sight draft(s) in accordance with the provisions of Paragraph 4.

Very truly yours,

Bank of Jackson County



Thomas E. Heisler

Title: Executive Vice President

EXHIBIT A – SIGHT DRAFT

To

Letter of Credit Number

Date: October 26, 2011

Bank of Jackson County, P.O. Drawer 677, Graceville, FL 32440

PAY TO THE ORDER OF: Utah Division of Oil, Gas and Mining

Nineteen Thousand and No Cents U.S. Dollars

TO: Bank of Jackson County
P.O. Drawer 677
Graceville, FL 32440

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801


By: 
John R. Baza, Director

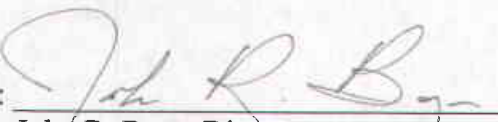
EXHIBIT B

To

Letter of Credit Number

I, John R. Baza a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$19,000.00 by sight draft accompanying this certificate, under Letter of Credit No. dated March 27, 2007 issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the amount to be drawn is necessary to assure or complete reclamation of the Saturday Night #1 & Saturday Night #2, number S/003/0076 in accordance with applicable law.

The Utah Division of Oil, Gas and Mining


By:  Authorized Signature
John R. Baza, Director
The Utah Division of Oil, Gas and Mining

Date: October 26, 2011

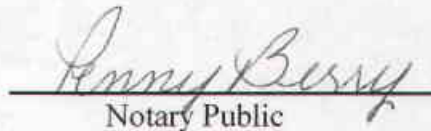
Bond Number

**AFFIDAVIT OF QUALIFICATION
DIRECTOR
--ooOOoo--**

John R. Baza, being first duly sworn under oath, deposes and says that he is the Director for the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that he is duly authorized to execute and deliver the foregoing obligations; and that said Director is authorized to execute the same by authority of laws on behalf of the State of Utah.

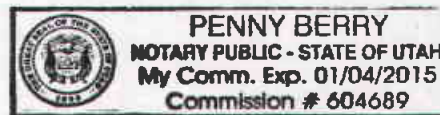

John R. Baza, Director
Division of Oil, Gas and Mining

Subscribed and sworn to before me this 26 day of October 2011.


Notary Public

My Commission Expires:

1/4/ ²⁰¹⁵ 2016



Attest:

STATE OF Utah)

COUNTY OF Salt Lake) ss: